

1998 COURSE CATALOGUE

FFIEC EXAMINER EDUCATION



<http://www.ffiec.gov>



FEDERAL FINANCIAL INSTITUTION REGULATORY AGENCIES

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INTRODUCTION

This catalogue contains brief descriptions of the examiner training programs offered by the FFIEC and the five federal financial institution regulatory agencies which comprise it.

The first section presents detailed information about FFIEC programs. The second section presents summary information about the FFIEC member-agency training programs available to other agencies.

The FFIEC and Council-member agency training calendars are planned in response to the requests received, and limited capacity exists to accommodate additional training requests received during the training year. The

FFIEC and each of its member agencies plans an annual training calendar in the summer to determine the type and frequency of courses to be made available during the following year. State regulatory agencies are encouraged to forward estimates of their training needs in the spring and summer for the upcoming year.

Each regulatory agency has summarized its registration policy and tuition rates and has specified its policies on sponsorship and other financial assistance to state regulatory agencies. To obtain more detailed information about the courses described in this catalogue, please contact the sponsoring agency.

¹ Visit the Examiner Education office at
<http://www.ffiec.gov>

The FFIEC Examiner Education World Wide Web address is <http://www.ffiec.gov>. Follow the Examiner Education link. The site will soon contain precourse material, programs and special section dedicated to Internet tips for examiners. The course catalogue and periodic press releases are available now. The status of projects under consideration will be periodically updated.

LETTER FROM THE MANAGER

The Federal Financial Institutions Examination Council was established pursuant to title X of Public Law 95-630, the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRA). The purpose of title X was to create an interagency body empowered to “prescribe uniform principles and standards for the federal examination of financial institutions. . . and make recommendations to promote uniformity in the supervision of these financial institutions.” As a part of its mandate, the Council conducts training programs for federal and state examiners. The goals of the training program are—

- to foster uniformity of examiner education through joint sponsorship of interagency training;
- to develop and offer high-quality courses, seminars, and conferences that meet the needs of financial institution examiners;
- to provide training opportunities for state and foreign financial institution supervisory agencies; and
- to promote training efficiency by eliminating duplication where agencies’ training needs coincide.

Since its inception in 1979, the Council has provided training for over 50,000 participants. All programs are offered under the auspices of

the Task Force on Examiner Education, whose principal members are the examiner training directors of the five Council-member agencies. Programs are expressly designed to meet the needs of examiners.

Many instructors are selected from staffs of the Council-member agencies, the states, and other participating agencies. The Council also draws upon the private sector in seeking instructors with specialized knowledge and an “outsider’s” view of regulatory or banking topics.

Seminars in Risk Management Planning have been offered to bankers since 1990.

We are always eager to receive comments and suggestions. The sooner we hear about needed improvements the better.

I sincerely hope each of these training vehicles will provide a stimulating opportunity to gain and share knowledge. Participating in a good training program is far less expensive than learning in “the school of hard knocks.”

John P. Newton
Manager, Examiner Education
May 1, 1997

GENERAL INFORMATION

Who May Attend?

Programs are open to the staffs of federal, state, and foreign financial institution regulatory agencies. Staff members from other regulatory agencies will be accommodated if space is available. One program, *Risk Management Planning*, is intended exclusively for bankers.

Registration

Council-member agency staff register through their agency's training headquarters. State financial institution regulatory staff should attempt to register through a Council-member agency (some provide partial financial sponsorship) or through their association of state supervisors. State bank examiners may also register directly with the FFIEC. Foreign participants should register through the Federal Reserve or another U.S. federal agency but may register directly with the FFIEC.

It is suggested that state agencies submit their training requests during the spring and summer for the following calendar year. This will be helpful in planning the number of sessions for each program. Otherwise, availability may be limited.

Tuition

Council-member agencies support this inter-agency school by means of annual assessments based on enrollment. State financial institution regulatory agencies' rates are based on member agency costs. Tuition for other agencies for 1998 will be \$350 for courses and \$450 for conferences. Tuition for the *Risk Management Planning* seminar will be \$350 for all attendees. The 1998 enrollment commitments of Council-member agencies must be honored under the FFIEC tuition agreement. Rules about enrollment commit-

ments for state banking departments, if sponsored by a federal agency, should be clarified with the registering federal agency.

Training Facility

The FFIEC leases offices and classrooms from the FDIC at the L. William Seidman Center, 3501 Fairfax Drive, Room 3086, Arlington, Virginia, 22226-3550.

Lodging

Hotel accommodations for most participants can be arranged in the L. William Seidman Residence Facility, 1001 N. Monroe Street, Arlington, Virginia 22201, (703) 516-4630, adjacent to the Training Center. Reservations should be made through member agency training offices. The FFIEC will make lodging arrangements at the Residence Facility for individuals registering for programs directly with the FFIEC.

Training Memorandums and Pre-course Study Materials

The registering member agency will send a training memorandum and pre-course study materials, if applicable, to each of its participants approximately 30 days prior to the session date. The memorandum will give the location and starting and ending times of the program.

For courses that require pre-course preparation, the FFIEC will send the pre-course materials to member agency training offices for distribution to each participant.

Dress Code

Participants may wear comfortable attire appropriate for a business environment for programs conducted in the L. William Seidman Center, Arlington, Virginia. Coat and tie are not required. However, tennis shoes, t-shirts, blue jeans, and shorts should not be worn. Business attire is required for regional sessions conducted at Federal Reserve Bank facilities.

Course Prerequisites

Participants should meet all course or conference prerequisites as stated in the course description. When in doubt, call the registering agency's training headquarters or the course administrator to determine eligibility. FFIEC course administrators and the programs for which they are responsible are listed below.

COURSE/PROGRAM ADMINISTRATORS

Dennis M. Dunleavy

(703) 516-5592

ddunleavy@fdic.gov

*Emerging Issues-Community and
Regional*

*Emerging Issues-Multinational
Testifying*

Krista Hegburg

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*Basic International Banking Self-Study
International Banking School
International Banking Conference
Instructor Training*

James F. Shannon

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*Capital Markets
Cyberbanking
Information Systems Symposium
Information Systems and Technology
Payment Systems Risk*

Melinda West-Schwartzstein

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*Consumer Compliance
Risk Management Planning (Bankers)
Trust
White Collar Crime*

Questions?

For more information, call, write or
e-mail:

FFIEC Training Center
3501 Fairfax Drive, Room 3086
Arlington, Virginia 22226-3550
Telephone: (703) 516-5588
Fax: (703) 516-5487
E-mail: kksmith@fdic.gov

BASIC INTERNATIONAL BANKING SELF-STUDY

Summary

The *Basic International Banking Self-Study* course is taken at the examiner's office through the use of a self-study manual and other materials. It provides examiners with a basic understanding of the structure of international banking activities in banks and how such activities are supervised by the banking agencies. The material is designed to provide examiners who have little, if any, international examining responsibilities with a basic understanding of international banking supervisory matters, and is a prerequisite for the *International Banking School*.

Objectives

At the completion of this course, a participant will be able to:

- outline the structure of international banking operations,
- apply a working knowledge of major international banking laws and regulations to the examination process,
- distinguish the types of international loans and the key features of a syndication and differentiate the risks of international lending from domestic lending,
- identify the policies and procedures that should be implemented by a bank active in international lending,
- identify the policies and procedures that should be implemented by a bank active in international lending,
- distinguish the various kinds of foreign lending by borrower and by geographic region,

- recognize the range of trade finance instruments commonly used by banks, the associated risks, and the controls that should be in place to manage these risks,
- identify foreign exchange risks, strategies for risk and exposure management, and exposure information systems,
- describe common capital market instruments, issued in various international markets, such as Eurobonds and medium-term notes; and understand how the risks of an international security differ from a domestic instrument, and
- differentiate between derivative contracts, including over-the-counter and exchange-traded, option-based and forward-based, and understand key risks applicable to these off-balance-sheet instruments.

Target Audience

Basic International Banking Self-Study is intended for examiners or analysts who fall within one of the following categories:

- ◆ newly hired examiners with at least six months' examination experience who frequently have responsibilities for international banking operations
- ◆ examiners or analysts with little or no prior international banking experience.

Requirements

A final examination will be administered at the discretion of the examiner's agency.

INSTRUCTOR TRAINING

Summary

Instructor Training is designed to equip an instructor with fundamental teaching skills. Basic lecture techniques, questioning techniques, lesson planning, and the preparation of audiovisual aids will be covered. Students are also given the opportunity to take a computer-based training course on PowerPoint as well as using computer-assisted instruction. Specific topics and lesson objectives are listed on the following pages.

Target Audience

Instructor Training is intended for those who have been selected to teach in agency or FFIEC courses. Individuals not preparing to become instructors should consider enrolling in a similar course offered by their own agency.

Length

Instructor Training is a five-day course involving extensive class participation. It begins on Monday at 9^{AM} and ends on Friday at 12^{NOON}. The normal class day is approximately eight hours of class activities including the presentations by the participants.

Requirements

The participant is required to prepare, deliver, and evaluate the following presentations:

- 5-minute lecture
- 15-minute lecture with questions, part of which will be videotaped
- 15 to 20-minute group facilitation.

Some additional preparation may be required each night. Students are encouraged to bring their laptop computers for help in completing the preparation.

Pre-course Study

Each participant is required to **bring familiar work-related** lesson plans or resource materials that can be used as a basis for the three class presentations. These presentations should be on the same topic. No lesson plans or research facilities are provided for participant presentations.

Post-course Assignment

In order to reinforce new skills, the participant should be assigned to teach as soon as possible after completing this course.

Instructor Training

= continued =

Topic	Hours	Objectives
<i>Introduction</i>	1.0	The participant will be able to identify the goals of the course, identify goals for the presentations, and identify realistic expectations for the course.
<i>Principles of Instruction and the Adult Learner</i>	1.5	The participant will be able to utilize the two principles of instruction, differentiate the needs of the instructor and the learner, and identify learning styles and other factors that can affect learning.
<i>Communication Skills of Effective Instructors</i>	1.0	The participant will be able to instruct with effective nonverbal communication skills and choose appropriate words based on adult learners' needs.
<i>Instructional Techniques (Film)</i>	1.0	The participant will be able to plan for factors that can sabotage a presentation and incorporate effective presentation skills into instruction.
<i>Visual Aids</i>	1.0	The participant will be able to explain the importance of visual aids in effective presentations, develop effective visual aids, and discuss the benefits and limitations of specific types of visual aids. Students have access to the latest training technology for creating and displaying visual aids. Computer-assisted instruction (CAI) is discussed and students are given the opportunity to practice using CAI. A variety of multimedia tools, such as CD-ROM, LCD projector and desktop publishing software, are made available for student presentations.
<i>Presentation #1 (Guidelines)</i>	.33	The participant will prepare a lesson using an introduction, main points, and summary.
<i>Presentation #1 (Delivery)</i>	3.0	The participant will give a 5-minute presentation using effective speaking techniques.
<i>Lesson Plan</i>	2.25	The participant will be able to describe the Instructional Systems Design process and how that process can be used to develop a lesson plan, write learning objectives, and use a checklist to prepare the room.

Instructor Training

= continued =

Topic	Hours	Objectives
<i>Questioning Techniques</i>	1.0	The participant will be able to identify types of questions, use various questioning techniques, and identify techniques for handling student questions and comments in oral presentations.
<i>Presentation #2 (Guidelines)</i>	.33	The participant will prepare a 15-minute lesson using the lecture-with-questions method.
<i>Presentation #2 (Delivery)</i>	5.0	The participant will deliver a 15-minute lesson using the lecture-with-questions method.
<i>Group Dynamics and Facilitation</i>	1.33	The participant will be able to define and prepare for a discussion using effective speaking techniques and identify group processes that occur during discussions.
<i>Presentation #3 (Guidelines)</i>	.33	The participant will prepare a 15- to 20-minute group facilitation.
<i>Presentation #3 (Delivery)</i>	5.5	The participant will deliver a 15- to 20-minute group facilitation.
<i>Classroom Management</i>	1.25	The participant will be able to handle “problem” students in the classroom and apply principles of classroom management.
<i>Summary</i>	1.0	The participant will be able to function as a learning facilitator and articulate the important concepts of the course.



International Banking School

= continued =

Pre-course Study

Pre-course study materials will be mailed at least 30 days prior to the session date by the FFIEC to the agency training offices for distribution to each participant.

Post-course Assignment

After attending the *International Banking School*, the participant should be assigned to participate in an international examination as soon as possible.



Testifying—Participant Profile

INSTRUCTIONS: A photocopy of this form should be completed by the nominee and returned to the nominee's training headquarters which will forward the approved forms to the program administrator, Dennis Dunleavy, at the FFIEC training center. If there is a question concerning a nominee's qualifications, the training headquarters should consult with its Testifying Development Group Representative.

Date _____

Participant's Name _____ Office Phone _____

Agency _____ Years with Agency _____

Describe your previous testifying experience (if any): _____

Briefly describe the case(s) and dates on which you are likely to testify _____

What goals do you want to accomplish during the school? _____

Training Headquarters approval: _____ Date: _____

(Signature)

CAPITAL MARKETS

Summary

The *Capital Markets* conference is intended for those examiners who must integrate the risks inherent in capital market activities into the overall risk profile of an institution (e.g., examiners-in-charge, review examiners), and who need to develop greater familiarity with attendant products, risks, and issues.

Objectives

At the completion of this course, a participant should be able to:

- identify the characteristics, uses, and risks of capital markets activities currently in widespread use,
- analyze the impact on individual financial institutions of accounting rules and capital requirements,
- articulate earnings and market risk exposure for interest rate risk positions,
- discuss key elements in interest rate risk models, and
- describe the fundamental principles of hedging.

Target Audience

The *Capital Markets* conference is designed for “seasoned” examiners, examiners-in-charge, review examiners, and surveillance examiners who need to develop more knowledge in the capital markets area. Participants should have basic skills in evaluating asset/liability management techniques. **Capital market specialists and examiners who have had extensive advanced capital markets training should not attend this conference.**

Length

The *Capital Markets* conference length is four days. The normal conference day is eight hours of lectures and discussions.

Requirements

A pre-course reading will be assigned. **Attendees should bring a calculator capable of solving present value problems to the conference.**

Topics

Topics are likely to change in order to address the most current issues in the marketplace. The following topics and their related accounting issues are likely to be addressed:

- ◆ *Measuring and Managing Interest Rate Risk*
- ◆ *Asset-backed Securities - Credit, Interest Rate, Market, Liquidity Risks*
- ◆ *Value-at-Risk Models as a Tool in Managing Interest Rate Risk*
- ◆ *Assessment of Interest Rate Risk Models*
- ◆ *Term Structure of Interest Rates*
- ◆ *Uses of Futures and Options*
- ◆ *Interagency Policy Statements*
- ◆ *Recent Market Developments/Products*
- ◆ *Accounting for Capital Market Products*

CONSUMER COMPLIANCE

Summary

This conference is offered on an as-needed basis as determined by the Task Force on Examiner Education. The *Consumer Compliance* conference is designed to update senior compliance examiners on current and prospective developments in the area of consumer compliance. Speakers for this program are nationally recognized industry leaders and senior staff members from regulatory agencies.

Target Audience

Consumer Compliance is directed at senior compliance examiners as identified by each agency.

Length

The length will vary according to need.

Topics

Topics will be selected by the interagency Task Force on *Consumer Compliance* and will focus on current or emerging issues.



EMERGING ISSUES - FOR COMMUNITY AND REGIONAL FINANCIAL INSTITUTION SUPERVISORS

Summary

The *Emerging Issues - Community and Regional* conference seeks to provide authoritative analyses of emerging technical topics and important contemporary issues confronting the regulatory and banking communities.

Objectives

At the completion of this course, a participant should be able to:

- discuss critical issues in regulation and supervision,
- evaluate the impact of emerging concerns, and
- recognize the early warning signals of supervisory concern with each topic.

Target Audience

Emerging Issues - Community and Regional is directed at senior supervisory personnel with a minimum of five years of experience who spend a majority of their time conducting supervisory activities of regional and community financial institutions of less than \$15 billion.

Length

Emerging Issues - Community and Regional is a four-day conference. Most sessions will begin on Monday at 9 am and end on Thursday at 12 NOON. The normal class day is eight hours of lectures and discussions.

Topics

Topics will evolve from session to session with the changing regulatory environment. The following topics may be presented in 1998:

- ◆ *Risk Measurement and Management*
- ◆ *A Discussion of Current and Prospective Accounting Issues*
- ◆ *The Effects of Interstate Banking*
- ◆ *Capital Markets*
- ◆ *Compliance Update*
- ◆ *Insurance*
- ◆ *USIRS: The "S" in Camel*
- ◆ *The Changing Credit Culture*
- ◆ *Legislative Update*
- ◆ *Where Is the Economy Headed?*
- ◆ *Regulatory Trends - an address by a top regulatory official*
- ◆ *Electronic Money from a Regulator's Perspective*
- ◆ *Evaluating the Newly Merged Institution*
- ◆ *Banking and Technology Update*

EMERGING ISSUES - FOR MULTINATIONAL FINANCIAL INSTITUTION SUPERVISORS

Summary

The *Emerging Issues - Multinational* conference seeks to provide authoritative analyses of emerging technical topics and important contemporary issues confronting the regulatory and banking communities. Speakers and topics will center on large institutions.

Objective

At the completion of this course, a participant should be able to discuss the critical regulatory and supervisory issues facing multinational institutions.

Target Audience

Emerging Issues - Multinational is directed at senior supervisory personnel with a minimum of five years of experience whose supervisory responsibilities or experience primarily comprise multinational and superregional financial institutions **exceeding \$15 billion**. No other participants should apply.

Length

Emerging Issues - Multinational is a four-day conference. Most sessions will begin on Monday at 9AM and end on Thursday at 12 NOON. The normal conference day is eight hours of lectures and discussions.

Topics

In contrast to the *Emerging Issues Community and Regional* conference, the listed topics will be presented in a **large bank** context. Topics will

evolve from session to session with the changing regulatory environment. The following topics may be presented in 1998:

- ◆ *Banking Powers and the Financial Services Marketplace*
- ◆ *Market Risk Measurement Methods*
- ◆ *A Multinational Banker's View on Emerging Issues*
- ◆ *Credit Derivatives - Risks and Rewards*
- ◆ *Capital Markets Update*
- ◆ *Accounting Issues Update*
- ◆ *Banking and Technology Update*
- ◆ *Legislative Perspective*
- ◆ *Due Diligence in Multinational Mergers*
- ◆ *Cybermoney*
- ◆ *New Bank Powers*
- ◆ *Trends in Loan Underwriting Standards*
- ◆ *Regulatory Perspective given by a senior official of a member agency*
- ◆ *Outlook for the National and Global Economy*

INFORMATION SYSTEMS SYMPOSIUM*

(FORMERLY EDP SYMPOSIUM)

Summary

Information Systems Symposium provides a forum for the most senior IS examiners to discuss important IS issues and to develop recommendations for policies and procedures to address those issues.

A major theme will be announced for each session and an outside expert(s) is usually invited to lead discussions and/or serve as a resource person.

This program is different than most courses in that the flow of “information” is expected to come from the participants to the program leader.

Objectives

At the completion of this course, a participant will have contributed to the development of a “white paper” which:

- defines the regulatory/examination issues involved in the symposium topic,
- outlines recommended changes in regulations and/or examination procedures, and
- makes recommendations to the supervision officials of the member agencies based on the conclusions reached in the symposium.

Target Audience

Information Systems Symposium is aimed at IS examiners who are heavily involved in the examination of complex data processing centers. Participants must possess a strong technical background in IS examinations. At least five years’ IS examination experience is preferable. Regional offices must carefully screen participants to ensure that all nominees meet these requirements. A completed Participant Profile form (see next page) summarizing each nominee’s experience in IS must be included with the nomination. This form should be completed by each participant 30 days prior to

the beginning of the session. Substitute participants must meet the same experience standards.

Length

Information Systems Symposium is a five-day program. It begins on Monday at 9 am and ends on Friday at 12 NOON. Some participants may be required to stay a second week, for the completion of the “white paper,” per their agencies’ instructions.

Requirements

Participants should have an active interest in discussing and developing recommendations for information systems examination procedures. Participants may be asked to lead discussion groups and to outline or draft policy recommendations.

A significant portion of the week will be devoted to developing and writing a “white paper” that is likely to become the basis of a policy recommendation.

*Joint project with the Task Force on Supervision

All attendees must complete a Participant Profile form -- see next page.

Information Systems Symposium*—Participant Profile

INSTRUCTIONS: A photocopy of this form should be completed by the nominee and returned to the nominee's training headquarters which will forward the approved forms to the course administrator at the FFIEC training center. If there is a question concerning a nominee's qualifications, the training headquarters should consult with its IS Development Group Representative.

Date _____

Participant's Name _____ Office Phone _____

Agency _____ Years with Agency _____

IS Schools previously attended: _____

Describe your IS examination experience: _____

List the names of the largest data centers you have examined (give dates): _____

Why do you have an interest in the topic of this symposium? _____

Training Headquarters approval: _____ Date: _____

(Signature)

* Joint project with the Task Force on Supervision

INFORMATION SYSTEMS AND TECHNOLOGY

Summary

The *Information Systems and Technology* conference is designed to update senior data processing examiners on current and prospective developments in the area of information systems. Speakers for this program are nationally recognized industry leaders and, occasionally, senior staff members from regulatory agencies.

Objectives

At the completion of this course, a participant should be able to:

- identify the risks, benefits, advantages and disadvantages of emerging technologies, and
- discuss the implementation of leading edge banking and data processing hardware and software, including security issues.

Target Audience

Information Systems and Technology is directed at senior IS examiners as identified by each agency.

Length

The *Information Systems and Technology* conference length may vary but is likely to be four days. It will begin on Monday at 9 AM and end on Thursday at 12 NOON. The normal conference day is approximately eight hours of lectures and discussions.

INTERNATIONAL BANKING CONFERENCE

Summary

The *International Banking* conference seeks to bring participants up-to-date on the latest developments in international banking activities. Supervisory issues and policies of the bank regulatory agencies will be discussed. The conference will usually be held in the years between the *International Banking Regional Mini-Conferences*.

Target Audience

The intended audience is senior international examiners or senior examiners-in-charge as identified by each agency.

The conference is intended only for those examiners who regularly have senior responsibility in the international banking or financial arenas.

Length

The *International Banking* conference length may vary but is usually two to three days. The normal conference day is approximately eight hours of lectures and discussions.

Requirements

Participants must have attended either the *International Banking School* or the former *International Banking II*, or must be in charge of examinations of operations that engage in international banking activities.

Topics

Topics have not yet been chosen; however, the following topics were presented in the 1996 conference:

- ◆ *Supervisory Perspective on International Banking presented by a top regulatory official*
- ◆ *Update on the latest BIS initiatives and other supervisory matters*
- ◆ *Trends in the International Derivative Markets*
- ◆ *New Directions in Global Banking*
- ◆ *Control Issues in Private Banking*
- ◆ *Global Custody*
- ◆ *The Role of the External Auditor*
- ◆ *The Reemergence of Trade Finance*

Note

The *International Banking Conference* is offered on an as-needed basis, to be determined by the Task Force on Examiner Education. The most recent conference was held in 1996.

Space is limited for this conference and those who do not have regular international examination responsibilities should not attend.

PAYMENT SYSTEMS RISK

Summary

The *Payment Systems Risk* conference will improve examiners' understanding of the risks involved in payment systems, methods used to minimize these risks, and the means of evaluating these risks in the examination process. The conference will address both retail and wholesale payment systems. Emerging payment systems will be covered in this conference.

Objectives

- explain systemic risk,
- explain the operating procedures of FedWire, CHIPS, and regionally automated clearing houses,
- explain controls for Fedline terminals,
- explain how the Internet works, how banking is performed on the Internet, and the risks of the technology,
- define the components of an effective contingency plan,
- differentiate stored value cards from smart cards and explain unique risks of these new products,
- explain the risk factors and control procedures associated with merchant credit card processing, and
- describe paperless auditing techniques.

Target Audience

Payment Systems Risk is intended for both commercial field examiners and regional/district office staff who need a better understanding of the risks associated with payment systems. A minimum of two years of experience is recommended.

Length

Payment Systems Risk is a four-day conference. The normal conference day is approximately eight hours of lectures and discussions.

Post-course Assignment

Participants should be given the opportunity to examine wire transfer activities in order to enhance their training.

Topics

Topics likely to be included are:

- ◆ *Functions of Payment/Settlement/Message Systems*
- ◆ *Risks Associated with Wire Transfers*
- ◆ *Fedline Terminal Controls*
- ◆ *Potential Insurance Risks*
- ◆ *Impact of E-cash*
- ◆ *Contingency Planning*
- ◆ *Merchant Processing Risks*
- ◆ *Banking on the Internet*
- ◆ *Auditing Paperless Transactions*
- ◆ *Emerging Payment Systems*

RISK MANAGEMENT PLANNING (BANKERS ONLY)

Introduction

The conference presents concepts and management techniques that are the foundation of sound risk management systems. Break-out sessions or panel discussions will provide useful feedback from regulatory officials regarding the new emphasis on examination by risk.

Objectives

At the completion of this course, a participant should be able to:

- evaluate risk management policies for important areas of activity in a bank,
- evaluate the risk management systems in an institution and determine whether improvement is needed,
- evaluate new products and the risks they may pose to institutions,
- understand current regulatory guidelines concerning Risk Management examiner policies,
- explain bank-wide risk management, and
- develop relationships with other bankers dealing with such issues.

Target Audience

Risk Management Planning is intended for top executives or outside directors of insured financial institutions (emphasis on the CEO).

Length

Risk Management Planning is a 1½-day seminar.

Requirements

Business casual attire is suggested.

Topics

Topics may change from session to session but the following subjects are likely to be addressed:

- ◆ *Risk Terminology and the Various Categories of Risk*
- ◆ *The Elements of a Sound Risk Management System - Identifying, Measuring, Monitoring, and Controlling Risk*
- ◆ *Planning for and Monitoring Future Risks and Emerging Technologies*
- ◆ *Understanding the Role of Internal Controls in Risk Management*
- ◆ *Tools and Models for Risk Management Analysis*
- ◆ *An address by a leading regulatory official*

TRUST

Summary

The *Trust* conference is designed to update senior trust examiners on current and prospective developments in the area of trust banking. Speakers for this program are nationally recognized industry leaders and, occasionally, senior staff members from the regulatory agencies. Topics may include corporate trust update, the changing roles and responsibilities of trustees, trust cash management issues, portfolio management and new legislation. In addition, regulatory and reporting requirements from the Department of Labor and the Securities and Exchange Commission may also be addressed.

Objectives

At the completion of this course, a participant should be able to:

- discuss current trends in trust banking,
- evaluate compliance with regulatory agency requirements, and
- identify and evaluate risks associated with offering trust and asset management services.

Target Audience

The *Trust* conference is intended for senior trust examiners as identified by each agency.

Length

The *Trust* conference length may vary but is usually three days. The normal conference day is approximately eight hours of lectures and discussions.

Requirements

Some evening reading or case studies may be assigned.

Note

The *Trust* conference is offered once a year.

At the conclusion of this program, some agencies may conduct individual break-out sessions lasting one to two days.

WHITE COLLAR CRIME

Summary

The *White Collar Crime* conference is designed to familiarize the participants with the major types of fraudulent activity and insider abuse. Fraud detection and documentation techniques will be covered. Participants will gain familiarity with real estate fraud, investment securities fraud, public records searches, and the relevant criminal statutes administered by the U.S. Department of Justice.

Objectives

At the completion of the course, a participant should be able to:

- describe early warning fraud signals,
- evaluate options in the investigative process,
- identify civil and criminal violations of law, and
- assimilate findings into an effective criminal referral,

Target Audience

Each participant should have a minimum of two years' experience in financial institution examination.

Length

White Collar Crime is a five-day conference. It begins on Monday at 9 AM and ends on Friday at 12 NOON. The normal class day consists of approximately eight hours of lectures, question and answer periods, and case examples.

Topics

Topics and speakers vary somewhat from session to session. Most of the following topics will be covered:

- ♦ *Criminal Statutes*
- ♦ *Fraud Detection Discussion*
- ♦ *Fraud Investigation and Documentation from a Prosecutor's Perspective*
- ♦ *Money Laundering and Bank Secrecy Act examination procedures*
- ♦ *A Potpourri of Scams*
- ♦ *Real Estate Developer Fraud*
- ♦ *Appraisal Fraud*
- ♦ *Investment Securities Fraud*
- ♦ *Credit and Other Card Fraud*
- ♦ *Computer Fraud*
- ♦ *Wire Transfer Fraud*
- ♦ *Check Fraud*
- ♦ *Cyberfraud*
- ♦ *Proactive Approaches to Bank Fraud Prevention*
- ♦ *Searching for Hidden Assets and Information*
- ♦ *Testifying*

ADVANCED CREDIT ANALYSIS CONFERENCE

Summary

The *Advanced Credit Analysis Conference* provides commissioned examiners continuing education in the credit underwriting and review function. The conference is intended to augment and sharpen existing credit review skills. In addition, the session will provide information on changes in the legal, technological, and economic environments which have a significant impact on current underwriting practices.

Objectives

At the completion of the course, a participant should be better able to:

- analyze commercial cash flows and business tax returns and have a better understanding of the requirements of FAS 95,
- understand automated underwriting systems and loan scoring systems,
- analyze government lending programs and financial institutions' responsibilities for specific credits,
- analyze loan review functions and assessment of internal grading systems,
- discuss current trends in the commercial real estate markets and agricultural markets, and
- analyze specific credits covered in the conference.

Target Audience

The *Advanced Credit Analysis Conference* is intended for commissioned examiners who regularly participate in credit review at community financial institutions.

Length

Advanced Credit Analysis Conference is a 3½-day conference.

Topics

Topics likely to be included are:

- ◆ *Commercial Loan Cash Flow Analysis*
- ◆ *Loan Scoring Systems and Automated Underwriting*
- ◆ *Current Legal Issues in Lending*
- ◆ *How To Analyze Borrowers' Tax Returns*
- ◆ *Loan Review and Risk Grading Systems*
- ◆ *Government Lending Programs Including SBA and FHA*
- ◆ *Trends in the Agricultural Sector*
- ◆ *Current Trends in Commercial Real Estate*
- ◆ *In-depth Review of Specific Lending Topics*
- ◆ *An Introduction to the Shared National Credits Program*

ADVANCED WHITE COLLAR CRIME CONFERENCE

Summary

This seminar is a more intensive course than the original *White Collar Crime* Conference, and provides commissioned examiners with the tools to detect public company fraud in loan applications. It also provides a higher level of knowledge of the newest fraudulent schemes and insider abuses.

Objectives

At the completion of the course, a participant should be able to:

- Recognize public company financial statement misrepresentations,
- Understand the role of the internal independent audit committee and the various accounting and auditing standards that apply with respect to outside auditors and their responsibility for detecting fraud,
- Use examination techniques designed to ferret out misrepresentations and distortions in financial statements,
- Understand and be able to recognize subtle indicia of money laundering,
- Recognize new types of white collar crime involving Internet and other technologically oriented frauds,
- Utilize advanced fraud investigation techniques, and
- Examine in-depth for adequacy of internal routines and controls to prevent money laundering and other frauds.

Target Audience

Each participant should be a commissioned safety and soundness examiner.

Length

Advanced White Collar Crime is a 3½-day conference. A day and a half is devoted to intensive financial analysis for fraud.

Topics

The conference is largely comprised of case studies drawn from recent SEC accounting enforcement cases. Instructors will include staff from the FBI, the SEC, FinCen, Department of Justice, U.S. Customs, the various regulatory agencies for money laundering, and an accountant/consultant for the financial statement analysis section.

The Financial Statement analysis portion is likely to address:

- Detailed analysis of the profit and loss statement to identify bogus income resulting from timing scams, sham sales, premature recognition of income; understated expenses and misclassification of gains.
- Detailed analysis of potential balance sheet manipulations due to asset scams such as inventory manipulation, fraudulent accounts receivables, fictitious assets; understated liabilities both current and long-term; and bogus capital transactions

Other topics may include:

- ♦ *Cyberfraud and Other Emerging White Collar Crime Areas*
- ♦ *Money Laundering*
- ♦ *Advanced Internal Routines and Controls Necessary to Prevent Fraud*
- ♦ *Investigative Techniques and Reporting Methodologies*
- ♦ *Other Topics of Current Interest*

COMPUTER-ASSISTED PRESENTATIONS

Summary

Computer-Assisted Presentations is a short, on-site course for the regional offices of member agencies. The course emphasizes use of presentation software in presentations. Microsoft's PowerPoint is the default software, but other software such as CorelDraw, Freelance or Harvard Graphics could be used to meet specific agency needs as requested. Classes should be kept small so that each participant would have the opportunity to demonstrate newly learned skills.

Objectives

At the completion of this course, a participant will be able to develop and deliver effective presentations using presentation software in instructional settings.

Target Audience

Computer-Assisted Presentations is aimed at agency instructors who need to be "retreaded" in the use of computer-assisted instruction, and those who wish to utilize PowerPoint in meetings with Boards of Directors and other types of meetings.

Length

Computer-Assisted Presentations is a 1½-day course. It can be tailored to meet the needs of small, homogenous groups.

Requirements

The participant is required to prepare, deliver and evaluate a presentation using presentation software.

INTERNATIONAL BANKING REGIONAL MINI-CONFERENCE

Summary

International Banking Regional mini-conferences will provide international examiners of each region with an update on the economic, financial and regulatory environments in their region of responsibility. These two-day regional conferences will be offered in the years between the biannual Washington conference. The regional conferences will be held in San Francisco, New York, Chicago and Miami, depending upon need, and will address the regional responsibilities of examiners in the respective cities. The regional conferences will examine underlying financial and commercial interests driving economic trends in particular regions, while the Washington conference will address the overall trends in the banking industry and will be more financial in nature.

Target Audience

The intended audience is senior international examiners or examiners-in-charge as identified by each agency. The conference is intended for those examiners who regularly have senior responsibility in the international banking or financial arenas.

Length

These two-day conferences will consist of three segments:

- a ½-day regulatory update on domestic and international supervisory initiatives,
- a full day devoted to regional economic trends that impact the financial sector, and
- a ½-day simultaneous country-specific workshops, covering the major and emerging national economies of the region.

Topics

The topics have not yet been chosen, though likely topics for the Asia-Pacific Rim session include:

- ♦ *An Economic Perspective on Asia and the Pacific Rim*
- ♦ *Industrialization and the Dragons: Growth in Singapore, Korea, Hong Kong and Taiwan*
- ♦ *Privatization and Foreign Direct Investment: The Philippine Experience*
- ♦ *Dirigisme vs. Deregulation: Emerging Bank Supervision Structures*
- ♦ *The Reemergence of Trade Finance*
- ♦ *Lending Patterns in Asia*
- ♦ *An Update on the FBO Program*
- ♦ *BIS Initiatives*
- ♦ *Regulation K*
- ♦ *Compliance with Bank Secrecy Act Regulations*
- ♦ *Country workshops from Australia to Vietnam*

LUNCHTIME SPEAKER SERIES

Summary

The *Lunchtime Speaker Series* expands delivery of portions of current FFIEC conferences to member agency regional sites through video-conferencing.

Target Audience

The *Lunchtime Speaker Series* is aimed at member agency staff at regional, district and other remote sites.

Length

The *Lunchtime Speaker Series* will be 1 to 1½ hours in length and will be held on a periodic basis.

Topics

Topics will likely cover current interagency issues and be presented in a panel format. Conferences with segments potentially targeted for expanded delivery include *Capital Markets*, *Cyberbanking*, *Emerging Issues* and *Payment Systems Risk*.

SYNDICATED LOAN SEMINAR

Summary

The *Syndicated Loan Seminar* is targeted at the senior level safety and soundness examiner responsible for the review of large public company syndicated credits. The setting is classroom with up to 30 students in order to maximize discussion and cross-pollenization. Topics change and evolve constantly in order to encompass timely and contemporary advanced credit analysis issues.

Objectives

At the completion of this course, a participant should be able to:

- Understand bank financing as it relates to the financing of corporate merger and acquisition transactions,
- Understand some of the balance sheets of specialized credits (hotels, casinos, healthcare companies, telecommunications companies, etc.), and
- Understand implications of cross-border lending.

Target Audience

Each participant should be a senior field examiner with substantial experience analyzing public and other large syndicated credit lines.

Length

The *Syndicated Loan Seminar* will be three to four days.

Topics

Material is presented mainly in case study format along with guest speakers for some of the specialized lending and cross-border topics.

- ◆ *Discussion of the underwriting and pricing processes and related issues for the syndicated credits*
- ◆ *Thorough review of issues pertaining to the financing of corporate merger and acquisition transactions including special considerations regarding leveraged buyouts*
- ◆ *Discussion of highlighted issues involved in cross-border lending for large corporate credits*
- ◆ *Discussion of selected advanced specialized lending topics such as mezzanine financing, subprime markets, debtor in possession financing and other emerging and current topics as deemed appropriate*